

## Response to Comment Letter I107

**Steve Horner**

**March 3, 2014**

### Comment Letter I107

**Hingtgen, Robert J**

**From:** steve horner <stevhornermex@yahoo.com>  
**Sent:** Monday, March 03, 2014 12:07 PM  
**To:** Hingtgen, Robert J  
**Cc:** tisdale donna@gmail.com  
**Subject:** soitec solar projects boulevard ca - opposed steve horner  
**Attachments:** steve horner - soitec project - loss of sale.pdf

robert hingtgen, planner  
 planning and development services  
 5510 overland ave, suite 10  
 san diego, ca 92123

hi robert,

i oppose the soitec solar four projects in boulevard, ca for the following reasons:

1. i have personally lost the sale of my home for \$500,000 because of soitec solar making the area a commercial zone

which is a financial burden that is unfair for me  
 my property is located at 40760 old highway 80, boulevard, ca, 36 acres  
 had a 3 year lease which was from feb 4, 2011 to mar 1, 2014  
 the tenant paid \$50,000 for a option to buy on mar 1, 2014  
 the tenant abandon the property in june of 2012 because of soitec project which adjoins my property  
 did not want to live next to a solar farm that is 30 feet high or like 3 story building  
 i had to move back into home - disrupting my family  
 a loss of rent, \$3000 per month for about 18 months - \$54,000  
 a loss of sale which had a balance after option to buy \$50,000 down, of \$450,000 due mar 1, 2014  
 i feel the personal losses will be great if the project is completed

attached is lease agreement and memorandum of option to buy recorded with san diego county

2. the water table will be destroyed from commercial use which will destroy my home and others  
 this is desert land with limited water

3. the environment will go from high desert land to commercial projects  
 i have 12 grandchildren who love the outdoors which will be destroyed  
 no one knows for sure how safe giant solar projects are for people  
 zoning should not be changed for large companies to profit and individuals to take financial losses

i strongly oppose the soitec solar projects because of the impact on quality of life for individuals and community,  
 limited water in the area and financial losses for individuals property values for giant corporation to make profits.

please include this statement in soitec solar development program general planning and environmental impact report which closes march 3, 2014 at 4pm

I107-1

I107-2

I107-3

**I107-1**

This comment raises concerns regarding property values. This topic was not evaluated in the Draft Program Environmental Impact Report (DPEIR) since it is not related to environmental impacts (see 14 CCR § 15131). However, this type of information will be presented to decision makers for their consideration during the hearing process for the Proposed Project. See response to comment I76-2.

**I107-2**

Potential impacts related to groundwater use are considered and addressed in the DPEIR; see Section 3.1.5.3.4, Groundwater Resources, and Section 3.1.9.3.1, Water.

**I107-3**

The County of San Diego acknowledges the commenter's opposition to the Proposed Project. The information in this comment will be in the Final Program Environmental Impact Report for review and consideration by the decision makers.

thanks for your help, steve horner  
40760 old highway 80  
boulevard, ca 91905  
619-861-5455

①

RECORDING REQUESTED BY:  
AMERICAN COAST TITLE

AND WHEN RECORDED MAIL TO:  
Mr. and Mrs. Edgardo Manuel Rivera  
19495 Daerhorn Valley Road  
Jamul, CA 91935

DOC # 2011-0110482

MAR 01, 2011 8:00 AM  
OFFICIAL RECORDS  
SAN DIEGO COUNTY RECORDER'S OFFICE  
Ernest J. Dronenburg, Jr., COUNTY RECORDER  
FEES: 21.00  
DC: NA

PAGES: 3

1514

Title Order No.: 211097-22

**MEMORANDUM OF OPTION**

THIS MEMORANDUM OF OPTION TO PURCHASE is made and entered into on February 25, 2011 by and between Stephen Homer and Catherine Homer, "Optionor" and Edgardo Manuel Rivera and Maria Rivera, "Optionee"

Optionor hereby grants to Optionee and Option to purchase for a term of 36 months, commencing on March 1, 2011 and ending on March 1, 2014, on the terms and conditions set forth in the Option by and between the parties hereto dated February 4, 2011, all the terms and conditions of which are made a part of the Memorandum of Option as though fully set forth herein, the premises in the County of San Diego, State of California, described as follows:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF  
Also Known as: 40760 Old Highway 80, Boulevard, CA 91905

APN#: 612-091-12-00 & 612-030-17-00

OPTIONOR: Stephen Homer  
Catherine Homer  
Catherine Homer

OPTIONEE: Edgardo Manuel Rivera  
Maria Rivera  
Maria Rivera

DATED February 18, 2011  
STATE OF CALIFORNIA  
COUNTY OF Riverside  
On 2/18/11 before me, Daniel Suklja, a Notary Public in and for said State personally appeared Catherine D. Homer and Stephen Homer, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal.

Signature [Signature]

(Seal)

DANIEL SUKLJA  
Commission # 1912447  
Notary Public - California  
Riverside County  
My Comm. Expires Nov 7, 2014

I107-4

I107-4

The comment does not raise an environmental issue for which a response is required. Please refer to the response to comment I107-1.

1515

RECORDING REQUESTED BY:  
AMERICAN COAST TITLE

AND WHEN RECORDED MAIL TO:  
Mr. and Mrs. Edgardo Manuel Rivera  
19495 Deerhorn Valley Road  
Jana, CA 91935

THIS SPACE FOR RECORDER'S USE ONLY:  
Escrow No.: 912894-KS

Title Order No.: 211087-22

**MEMORANDUM OF OPTION**

THIS MEMORANDUM OF OPTION TO PURCHASE is made and entered into on February 25, 2011 by and between Stephen Homer and Catherine Homer, "Optionor" and Edgardo Manuel Rivera and Maria Rivera, "Optionee"

Optionor hereby grants to Optionee and Option to purchase for a term of 36 months, commencing on March 1, 2011 and ending on March 1, 2014, on the terms and conditions set forth in the Option by and between the parties hereto dated February 4, 2011, all the terms and conditions of which are made a part of the Memorandum of Option as though fully set forth herein, the premises in the County of San Diego, State of California, described as follows:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF  
Also Known as: 40780 Old Highway 80, Boulevard, CA 91905

APN#: 812-091-12-00 & 812-030-17-00

OPTIONOR:

Stephen Homer

Catherine Homer

OPTIONEE:

Edgardo Manuel Rivera

Maria Rivera

DATED February 18, 2011  
STATE OF CALIFORNIA  
COUNTY OF San Diego  
On 2/23/11 before me, Reza M. Kaghaazchi, A Notary Public in and for said State personally appeared Edgardo Manuel Rivera and Maria Rivera, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal.

Signature Reza M. Kaghaazchi

OFFICIAL SEAL  
REZA M. KAGHAZCHI  
NOTARY PUBLIC-CALIFORNIA  
COMMISSION EXPIRES  
SAN DIEGO COUNTY  
MY COMM. EXP. JUNE 26, 2012

I107-5

I107-5

The comment does not raise an environmental issue for which a response is required. Please refer to the response to comment I107-1.



**Del Rey Escrow Services, Inc.**  
3202 Bonita Road Suite B  
Chula Vista, CA 91910  
Phone: (619) 216-3610  
Fax: (619) 216-3630

DEL REY ESCROW SERVICES, INC. IS LICENSED BY THE DEPARTMENT OF CORPORATIONS OF THE STATE OF CALIFORNIA, LICENSE NUMBER 9631894

**ADDENDUM TO CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS**  
DATED February 4, 2011

Kristine M. Segant  
Sr. Escrow Officer

Escrow No: 012894-KS  
Date: February 16, 2011

We, the undersigned, hand you a copy of the California Residential Purchase Agreement and Joint Escrow Instructions dated February 4, 2011 AND OPTION AGREEMENT DATED FEBRUARY 4, 2011 AND RESIDENTIAL LEASE OR MONTH-MONTH RENTAL AGREEMENT DATED JANUARY 31, 2011 including any Counter Offers and Addendums of which heretofore have been executed by all parties. Your duties are limited to those paragraphs specified in Paragraph 24, of said Agreement. We hereby acknowledge receipt of a copy of Page 8 of said Agreement which has been signed by Escrow Holder.

DATE OF COMMUNICATION OF ACCEPTANCE: Date of Acceptance is deemed to be February 15, 2011.

CLARIFICATION & AMENDMENT OF INSTRUCTIONS BETWEEN SELLER AND BUYER TO ESCROW HOLDER:

DATE OF CLOSE OF ESCROW: Date of Close of Escrow is deemed to be ON OR BEFORE March 1, 2014.

CONFIRMATION OF PURCHASE PRICE: Purchase Price is \$500,000.00.

**Terms**

Buyer to deposit into escrow the deposit for Option Agreement 50,000.00  
Buyer to pay Seller outside of escrow for Rents (2/25/2011-3/31/2011) 3,400.00

TOTAL PURCHASE PRICE \$500,000.00

SELLER STATES THE PROPERTY ADDRESS IS: 40700 Old Highway 80, Boulevard, CA 91905 (not verified)

**TITLE POLICY TO SHOW TITLE VESTED IN:** Edgardo Manuel Rivera and Marie Rivera, Complete Vesting To Follow  
The exact manner of the Buyer's vesting is to be provided escrow holder by Buyer prior to the close of escrow. Such notification is to be in writing and upon request of same, escrow holder is authorized and instructed to insert vesting into each pertinent document as required in this transaction without further approval of Seller.

**TITLE COMPANY:** Title to be issued by AMERICAN COAST TITLE.

**HAZARD DISCLOSURE REPORT:** Seller shall provide and pay cost at closing.

**HOME INSPECTION:** Not applicable in this escrow transaction. Any and all fees due have been or will be handled outside of escrow by Buyer, if applicable. Escrow Holder shall not be concerned, responsible and/or liable.

**TERMITE REPORT/CLEARANCE:** Report shall be paid by Seller through the close of escrow. Any Section I and/or II clearances as required by Lender and/or Buyer shall be paid for by Buyer at closing.

**LEASE COMMENCEMENT DATE:** Tenant to access/occupy subject property beginning FEBRUARY 25, 2011. Prorated rent from 2/25/2011 to 3/1/2011 in the amount of \$400.00 to be paid to landlord by tenant outside of escrow. Escrow Holder and its employees are not to be concerned, responsible and/or liable for same.

**MONTHLY RENTS:** Monthly rents in the amount of \$3,000.00 due the 1st of each month, beginning March 1, 2011, to Landlord and payable directly to landlord, Stephen Horner, via personal or cashiers check, pursuant to terms agreed upon in the Residential Lease or month-to-month Rental Agreement.

**TERMINATION OF LEASE:** Termination of Lease date is MARCH 1, 2014

**OPTION PERIOD:** Pursuant to the terms agreed upon between the parties in the Option Agreement dated February 4, 2011; Tenant has elected to exercise the Option Agreement commencing March 1, 2011 at which time \$410.00 of each monthly rent payment of \$3,000.00 shall be applied towards tenants down payment obligations. Any default of monthly

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Seller's Initials: ST/CH

Buyer's Initials: \_\_\_\_\_

I107-6

**I107-6** The comment does not raise an environmental issue for which a response is required. Please refer to the response to comment I107-1.

## References

14 CCR 15000–15387 and Appendices A–L. Guidelines for Implementation of the California Environmental Quality Act, as amended.

Date: February 16, 2011 Escrow No.: 012894-KS  
Page 2 of 8: Additional Instructions made as previous pages are fully incorporated therein.

rent/lease payments from tenant to landlord shall constitute a breach of contract. Escrow Holder and its employees are not to be concerned, responsible and/or liable for same.

**PRE-RELEASE OF FUNDS:** Escrow Holder is authorized and instructed to pre-release funds from Buyer(s) Option Agreement funds of \$60,000.00 as follows:

**Buyers Option Agreement funds (\$60,000.00):**

- (1) Upon recordation of the Memorandum Agreement (on/before February 24, 2011), Escrow Holder shall immediately release to Stephanie Garcia, Coldwell Banker Premier any referral / commissions due from Stephen Horner and Catherine Horner pursuant to separate fully executed agreement signed by Seller and Coldwell Banker Premier Broker.
- (2) Upon recordation of the Memorandum Agreement any remaining funds due, less closing costs, shall be released to Stephen Horner and Catherine Horner, via escrow check.

**Buyers Additional Deposit of Funds:**

- (3) Buyer herein acknowledges and agrees to deposit any/all additional funds required to cover closing costs pursuant to the Estimated Statement to be provided for signature.

**PRE-RELEASE CONDITIONS:** Escrow holder shall not pre-release any funds from this escrow unless and until:

- 1) Escrow Holder is in receipt of these instructions signed by all parties hereto;
- 2) Escrow Holder has received clearance of Buyer's funds deposited in this escrow for release hereunder.
- 3) Escrow Holder is in receipt and has recorded the Memorandum of Option for the subject property of this escrow executed by Optionor (Seller) and Optionee (Buyer).

At the close of escrow, said \$60,000.00 funds from Buyer shall be credited towards the Total Consideration and Buyer(s) down payment due hereunder. The undersigned parties hereby acknowledge that this release of funds prior to close of escrow is authorized regardless of the fact that all conditions of this escrow have not been met, and all parties further acknowledge that the present condition of title as represented on any existing report, or otherwise, has not changed, nor will any document(s) affecting transfer of title to Buyer(s) be recorded by Escrow Holder upon the pre-release of funds hereunder.

**INDEMNIFICATION OF ESCROW HOLDER:** The parties to this escrow, by execution of these instructions do hereby agree to indemnify, hold harmless and defend the Escrow Holder against any claims, damages, costs, and/or attorney's fees that may arise by reason of Escrow Holder complying with the foregoing instructions to pre-release Buyer(s) funds from this escrow prior to its close. In the event this escrow is not consummated, Buyer(s) will not look to Escrow Holder for recovery of released funds.

Regarding Page 2, Paragraph 4.B.(1)&(2) Government Requirements and Retrofit, all matters concerning said items shall be handled outside of escrow and escrow holder shall NOT be concerned with same.

**APPROVAL OF LEGAL DESCRIPTION FOR SUBJECT PROPERTY:** Seller(s) signature(s) on the conveying Grant Deed, and Buyer(s) approval of the Preliminary Report, shall be deemed each party's approval of the legal description contained therein as the exact description for the subject property of this escrow and Escrow Holder may rely upon such approval in processing this transaction.

**IN THE EVENT THE FOREGOING STATEMENTS AND CLARIFICATION OF INSTRUCTIONS DO NOT REPRESENT WHAT YOU AGREED TO, PLEASE CONTACT YOUR REAL ESTATE AGENT AND ESCROW HOLDER IMMEDIATELY. IT IS YOUR RESPONSIBILITY TO ADVISE THE ESCROW HOLDER IN THE EVENT OF ANY INACCURACY IN THE ABOVE.**

**TITLE POLICY(IES):** It is understood and agreed that any policy(ies) of title insurance to be issued at close of escrow shall be sent directly to the appropriate parties by the Title Company and escrow holder is specifically instructed to NOT be concerned with same.

**INSTRUCTIONS:**

- A. The parties hereto understand that the transfer of title may result in a reassessment of the subject property and the levy of a Supplemental Tax. The parties further understand that a reference to reassessment and a lien for supplemental taxes may appear as an exception in the Policy of Title Insurance to be obtained herein.
- B. The parties hereto acknowledge that they are aware that a "Change of Ownership Form" is required by the County, to be completed and affixed to any documents submitted for recording which evidences a conveyance of title. The Change of Ownership form shall be furnished to Buyer/Transferee by you, for Buyer/Transferee's completion and execution. Buyer/Transferee herein acknowledges that in the event said Change of Ownership form is not complete, signed, and/or returned to escrow, prior to closing, a penalty will be assessed by the County; and, if said form is not filed after the close of escrow within the time limits set forth by the County, severe additional penalties will be assessed against the Buyer/Transferee. In the event Buyer receives notice from the County, they are to act promptly upon receipt of notice of penalty will increase substantially. Buyer/Transferee is

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✓ Seller's Initials: SH / CH Buyer's Initials:       /      

1107-6  
Cont.

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aware the completion of the form is solely their responsibility and the escrow holder is neither responsible nor liable for verification or accuracy of same. Escrow holder is hereby relieved of any liability and/or responsibility regarding same. For information and assistance in completing the Change of Ownership form, Buyer/Transferee may contact the County Recorder and County Assessor's Offices in the county in which the subject property is located.

- C. Notwithstanding any other provision, and in addition to any other fees and costs to which you may be entitled, the parties jointly and severally agree that if this escrow is not consummated within thirty (30) calendar days of the date set for closing, and if for any reason, you are required to hold funds after close of escrow, without further instructions, you may deduct a reasonable charge as custodian of not less than \$25.00 per month from the funds on deposit with you, regardless of who deposited such funds, unless otherwise specified in writing. The parties further irrevocably instruct you to automatically cancel this file without further instruction when all funds on deposit have been disbursed.
- D. **LEGAL/ACCOUNTANT COUNSEL ADVISED:** The undersigned parties acknowledge that they have been advised to seek counsel and have been given ample time and opportunity to submit these instructions to their attorneys and/or accountant and determination of adequacy for protection of their interest. No representation is made by escrow holder as to the legal sufficiency or effect or tax consequences of these escrow instructions, and all parties indemnify and hold escrow holder harmless as to any responsibility or liability in connection herewith.
- E. **IMPORTANT NOTICE:** Except for wire transfers, funds remitted to this escrow are subject to availability requirements imposed by Section 12431.1 of the California Insurance Code. CASHIERS CERTIFIED or TELLERS checks, payable to the Company are generally available for disbursement on the next business day following the date of deposit. Other forms of payment may cause extended delays in the closing of your transaction pursuant to the requirements imposed by State Law. (Wire transfer information available upon request)

**IMPORTANT INFORMATION REGARDING CALIFORNIA REAL ESTATE TAX WITHHOLDING:** Real Estate Withholding is a prepayment of state income taxes for Sellers of California real estate. On September 12, 2002, the California State Legislature enacted Assembly Bill 2095 that made changes to the Revenue and Taxation Code Section 18662 for the sale of California real property. The new law that became effective January 1, 2003, expands the real estate tax withholding requirements.

As a courtesy, Del Rey Escrow Services, Inc. is providing the following information regarding this new law and a brief overview of its impact upon Sellers and Buyers of California real estate. Should you require further explanation or guidance regarding the applicability of this law, you are requested to contact the Franchise Tax Board at 888-792-4900 or your Accountant or Tax Professional.

**YOUR ESCROW OFFICER AND REAL ESTATE BROKER ARE UNABLE TO PROVIDE ANY ADVICE OR GUIDANCE REGARDING THIS OR ANY OTHER REAL ESTATE LAW.**

For sale transactions closing on or after January 1, 2003, all individuals who sell California real property and do not qualify for an exemption are subject to withholding. The new law eliminates the waiver and/or reduction process formerly available to individuals prior to the enactment of the new law. All non-individual Sellers with a last known street address outside of California who do not qualify for an exemption remain subject to withholding. Also impacted by the new law are taxpayers, intermediaries and accommodators involved in tax deferred exchanges pursuant to Internal Revenue Code Section 1031.

Individuals are defined as: Any type of entity, such as corporation, certain estates, partnership, irrevocable trusts and certain limited liability companies.

The law makes the buyer or other transferee responsible for withholding, completing the required 593-B Form and remitting funds to the State, if withholding is applicable. Upon request and execution of the required escrow instructions, your escrow holder will assist in facilitating the withholding. The law provides that escrow holder may charge a fee of \$45.00 for its assistance for each taxpayer.

In accordance with the provisions of the law, we are enclosing for your review the Notice of Tax Withholding Requirements.

In addition, we are providing to Seller the following frequently requested Franchise Tax Board Forms:

1. Form 593-C, Real Estate Withholding Certificate for Individual Sellers. This form is used by individual Sellers to determine whether or not they are exempt from withholding. Form 593-C details the exemption options.

The form must be completed, executed, and returned to escrow. If Seller qualifies for an exemption, the original will be delivered to buyer through escrow. Seller should retain a copy for its records prior to submission to escrow.

2. Form 593-W, Real Estate Withholding Exemption Certificate and Waiver Request for Non-Individual Sellers. This form is used by non-individual Sellers to determine whether or not they are exempt from withholding OR to request a waiver or reduced amount of withholding when there will be little or no gain. Form 593-W details the exemption options.

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Seller's Initials: SD / CH

Buyer's Initials: \_\_\_\_\_

1107-6  
 Cont.

Date: February 16, 2011 Escrow No.: 012894-KS

Page 4 of 8: Additional instructions made as previous pages are fully incorporated therein.

The form must be completed, executed and returned to escrow. If Seller qualifies for an exemption, a copy will be delivered to buyer through escrow. Seller should retain a copy for its records prior to submission to escrow. If Seller elects to request a waiver or reduction, this form must be delivered to the Franchise Tax Board with a copy to your escrow officer. Additional escrow instructions will be required by escrow that will include a withhold of funds if a determination has not been received from the Franchise Tax Board prior to escrow closing.

Please note that the Franchise Tax Board will assess a penalty to Seller of \$1,000 or 20 percent of the amount required to be withheld, whichever is greater, for knowingly executing a false exemption certificate.

In addition to Forms 593-C and 593-W, the following forms are available and can be provided upon request by your escrow officer, or you may download these forms by visiting the Franchise Tax Board web site: [www.ftb.ca.gov/getinfo/forms.html](http://www.ftb.ca.gov/getinfo/forms.html):

- A) Form 593-B, Real Estate Withholding Tax Statement (Use to report withholding on all individuals and non-individuals.)
- B) Form 593-L, Real Estate Withholding Installment Sale Agreement (Used by Buyer when the Seller is an individual and the Buyer agrees to withhold on each payment instead of withholding the full amount at the time of sale.)
- C) Form 593-L, Real Estate Withholding - Computation of Gain or Loss (Used by individual Sellers to compute the gain or loss on the sale.)

ESCROW WILL NOT UTILIZE DISCRETION IN DETERMINING IF WITHHOLDING IS REQUIRED NOR WILL IT AUTOMATICALLY UNDERTAKE TO WITHHOLD AND REMIT FUNDS TO THE STATE.

IT IS RECOMMENDED THAT BUYER AND SELLER INDEPENDENTLY AND JOINTLY REVIEW THE PROVISIONS OF THIS LAW AND NOTIFY YOUR ESCROW HOLDER IF ASSISTANCE IS REQUIRED IN PROVIDING ADDITIONAL FORMS OR REMITTING FUNDS TO THE STATE. IF YOU WOULD LIKE MORE INFORMATION ON ASSEMBLY BILL 2085 YOU MAY SECURE THAT INFORMATION BY VISITING THE FOLLOWING WEB SITE: [HTTP://WWW.LEGINFO.CA.GOV/BILLINFO.HTML](http://WWW.LEGINFO.CA.GOV/BILLINFO.HTML) AND REFER TO THE 2001-2002 LEGISLATIVE SESSION.

**NOTICE OF TAX WITHHOLDING REQUIREMENT:**  
In accordance with Sections 19662 and 19696 of the California Revenue and Taxation Code, a Buyer may be required to withhold an amount equal to THREE AND ONE-THIRD percent (3-1/3%) of the sales price in the case of a disposition of California real property interest by either:

1. A Seller who is an individual or when the disbursement instructions authorize the proceeds be sent to a "financial intermediary" of the Seller, OR
2. A corporate Seller that has no permanent place of business in California.

The Buyer may become subject to penalty for failure to withhold in an amount equal to the greater of Ten percent (10%) of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sale price of the California real property conveyed does NOT exceed one hundred thousand dollars (\$100,000), OR
2. The Seller executes a written certificate, under the penalty of perjury, certifying that the Seller is a corporation with a permanent place of business in California, OR
3. The Seller, who is an individual, executes a written certificate, under the penalty of perjury, of any of the following:
  - A. That the California real property being conveyed is the Seller's principal residence (within the meaning of Section 121 of the Internal Revenue Code)
  - B. That the California real property being conveyed is or will be exchanged for property of like kind (within the meaning of Section 1031 of the Internal Revenue Code), but only to the extent of the amount of gain not required to be recognized for California income tax purposes under Section 1031 of the Internal Revenue Code.
  - C. That the California real property has been compulsorily or involuntarily converted (within the meaning of Section 1033 of the Internal Revenue Code) and that the Seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under Section 1033 of the Internal Revenue Code.
  - D. That the California real property transaction will result in a loss for California income tax purposes.

The Seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced

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✓ Seller's Initials: ST / CH

Buyer's Initials: \_\_\_\_\_

1107-6  
Cont.



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withholding and waivers from withholding on a case-by-case basis for corporations or other entities.

Additionally, under the federal "Foreign Investment in Real Property Tax Act" (FIRPTA) as amended and related laws, a Buyer may be required to withhold, and could be liable for, an additional tax equal to TEN percent (10%) of the sales price of the real property being conveyed, in the case of a Seller who may be classified as a "foreign person" under Section 1445 of the Internal Revenue Code of 1986.

IRS Regulations state that a foreign Seller lacking an Individual Tax Identification Number (ITIN) will automatically be subject to withholding upon the transfer of real property. A Seller may apply for any ITIN, however, it must be obtained prior to the time of transfer.

The Federal statute referenced above includes provisions that authorize the IRS to grant reduced withholding and waivers from withholding on a case-by-case basis. The parties herein may wish to investigate these options with their own legal or financial advisors or the Internal Revenue Service.

The escrow holder will not undertake to withhold or remit funds to any taxing authority, unless specifically instructed in writing to do so. In the event it is so requested, appropriate mutual instructions will be required.

DUE TO THE COMPLEXITY OF THESE TAX LAWS, AND THE PENALTY PROVISIONS FOR FAILURE TO WITHHOLD, IT IS RECOMMENDED THAT THE PARTIES TO THIS TRANSACTION SHOULD SEEK THE PROFESSIONAL ADVICE AND COUNSEL OF AN ATTORNEY, ACCOUNTANT OR FINANCIAL ADVISOR CONCERNING THE EFFECT OF THESE LAWS ON THIS TRANSACTION AND SHOULD NOT ACT ON ANY STATEMENT MADE OR OMITTED BY ESCROW OR CLOSING OFFICER.

**PRIVACY ACT NOTICE:**

DEL REY ESCROW SERVICES, INC. has prepared this Privacy Act Notice to comply with the Gramm-Leach-Bliley Act, Public Law 106-102 and to inform you regarding its collection, storage and use of information that you and others give it during the processing of your escrow transaction. The information in this Privacy Act Notice applies to Escrow Holder's current and former clients.

1. **Categories of Information Escrow Holder Collects.** We collect nonpublic personal information about you from the following sources:

- A. Information from you in letters and other communications as well as in escrow instructions and on forms including statements of identity, data collection regarding the financial status of the property or you and on other forms; and
- B. Information directly from third parties including real estate sales agents and brokers, mortgage companies and lenders, title companies, contractors, bookkeepers and accountants, attorneys, homeowners associations, insurance agents, federal, state or local tax or governmental authorities or from others who may give us information on forms or by other methods including but not limited to, telephone, e-mail, facsimile transmission.

2. **Categories of Parties To Whom Escrow Holder Discloses:** We may disclose nonpublic personal information about you to the following types of third parties:

- A. Financial service providers such as title insurance and underwritten title companies, mortgage companies and lenders as well as insurance agents and companies associated with your escrow transaction.
- B. Nonfinancial companies such as homeowners associations, attorney, bookkeepers and accountants, federal, state or local tax or governmental authorities, real estate agents and brokers associated with your escrow transaction.
- C. Service Providers including contractors, structural pest control operators and others rendering services to you or the real property or business that is the subject of this escrow transaction.

We may also disclose nonpublic personal information about you to nonaffiliated third parties as permitted by law. Otherwise, we do not disclose personal or confidential information to anyone outside our company without your consent. We will adhere to the privacy policies and practices as described in this Privacy Act Notice.

We restrict access to your personal and escrow file information to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information. Your information is stored in a secure place on a secure computer and in physical files. When we dispose of old physical paper files, we have it shredded and recycled by a bonded security company.

You may direct all questions regarding the policies set forth in this Privacy Act Notice to your escrow officer.

THERE IS COMMON OWNERSHIP INTEREST IN DEL REY ESCROW SERVICES, INC., NETWORK FINANCIAL, NETWORK ESCROW, REALTY EXECUTIVES PREMIER, COLDWELL BANKER PREMIER AND GOLD KEY FINANCIAL.

(CONTINUED)

✓ Seller's Initials: SL/CHBuyer's Initials:       /      I107-6  
Cont.

Date: February 16, 2011

Escrow No.: 012894-KS

Page 6 of 8: Additional instructions made as previous pages are fully incorporated therein.

## GENERAL PROVISIONS

TO: Del Ray Escrow Services, Inc.

(hereafter referred to as "the Company" and/or "Escrow Holder")

1. Time is of the essence of these instructions. The phrase "Close of Escrow" (or COE) as used in this escrow, means the date on which the documents are recorded, unless otherwise specified. If this escrow is not in a condition to close by the Close of Escrow Date, as provided for herein or any extension thereof, and without demand for cancellation is received by you from any principal to the escrow after said date, you shall act in accordance with paragraph 20 of the General Provisions. If no conflicting instruction or demand for cancellation is made, you will proceed to close this escrow when the principals have complied with the escrow instructions.
2. In the event one or more of the General Provisions are held to be invalid in judicial proceedings, those remaining will continue to be operative.
3. All notices, changes of instructions, communications and documents are to be delivered in writing to the office of the Company, at all both herein. Any amendments or supplements to any instructions affecting escrow must be in writing. If these instructions relate to a sale, buyer agrees to buy and seller agrees to sell upon the terms and conditions herein. The principals will hand you any funds and instruments required from each respectively to complete this escrow. You are instructed to deliver and/or record all documents and disburse all funds when you can comply with these instructions and issue any title insurance policy as called for herein. These instructions, together with any amendments and/or supplements, may be executed in duplicate and together shall constitute one and the same document. All documents, balances and statements due the undersigned are to be mailed to the respective addresses shown herein, unless otherwise directed. Delivery by Escrow Holder of documents to a party's real estate agent or broker shall constitute delivery to that party. In the event that any party to this escrow utilizes facsimile transmitted signed documents, all parties hereby agree to accept and hereby instruct the escrow holder to rely upon such document as if they bore original signatures. Buyer and seller further acknowledge that any documents to be recorded bearing non original (facsimile) signatures will not be accepted for recording by the County recorder.
4. Interest on any new financing may begin to accrue on the date loan funds/proceeds are disbursed by the new lender, and borrower agrees to pay same in accordance with lender's instructions.
5. You are authorized to order demands for, and pay at the close of escrow, any encumbrances of record necessary to place this in condition called for without further authorization. You are further authorized, prior to the close of escrow, to pay from funds on deposit any fees necessary to obtain any demand and/or report as may be required in this escrow, and at the close of escrow, charge the parties as appropriate. If you pay a demand or pay in full a revolving line of credit or equity line of loan, you are hereby instructed as my behalf and for my benefit, to request that the lender issuing said demand freeze and discontinue said revolving line or equity line of credit.
6. In the event that an Offer to Purchase, Deposit Receipt, or any other form of Purchase Agreement is deposited in this escrow, you, as escrow holder, are not to be concerned with the terms of such document(s) and are relieved of all responsibility in connection therewith. Your duty to act as escrow holder shall not commence until these instructions signed by all parties, are received by you. Until such time, either party may unilaterally cancel, and upon written request delivered to you, a party may withdraw funds and documents sent previously hereto to you. The foregoing is not applicable to any transaction in which the Company has specifically agreed to accept an Offer to Purchase, Deposit Receipt, or other form of Purchase Agreement as escrow instructions. In any event, you are not to be concerned or liable for items designated as "nonescrow" in these escrow instructions or be concerned or liable for any other agreement or contract between the parties.
7. You shall not be responsible or liable in any manner whatsoever for: (i) the sufficiency or correctness as to form, manner of execution, or validity of any document deposited in this escrow; (ii) the identity, authority, or rights of any person executing the same, either as to documents of record or those handled in this escrow; (iii) the failure of any party to comply with any of the provisions of any agreement, contract, or other instrument, or other documents received by you as Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by you in this escrow. You shall not be bound to take any action regarding the validity, maturity or apparent status of any obligation deposited in this escrow, unless otherwise instructed in writing. You shall not be liable for any of your acts or omissions done in good faith, nor for any claims, demands, losses or damages made, claimed or suffered by any party to this escrow, excepting such as may arise through or be caused by your willful neglect or gross misconduct.
8. It is agreed by the parties hereto that, so far as your rights and liabilities are involved, this transaction is an escrow and not any other legal relationship, and you are an Escrow Holder only on the terms expressed herein, and you shall have no responsibility of anything me or any of the parties to this escrow of any sale, resale, lease, exchange, or other transaction, involving any property herein described or of any profit realized by any person, firm or corporation (broker, agent and parties to this escrow or any other escrow) in connection therewith, regardless of the fact that such transaction(s) may be handled by you in this escrow or in another escrow.
9. Assume a 30 day month any provision herein provided, and unless otherwise instructed, you are to use the information contained in the latest available tax statements, including any supplemental taxes of record, rental statement as provided by seller and beneficiary's or association statement delivered into escrow for provision purposes.
10. Upon close of escrow, you are authorized and instructed to charge our respective accounts the costs attributable to each, including but not limited to, costs as provided herein.
11. The parties hereto, by execution of these instructions, acknowledge that the escrow holder assumes no responsibility or liability whatsoever for the supervision of any act or the performance of any condition which is a condition subsequent to the closing of this escrow.
12. In the event that you should receive or become aware of conflicting demands or claims with respect to this escrow, or the rights of any of the parties hereto, or any money or property deposited herein, you shall have the absolute right at your option to discontinue any or all further acts until such conflict is resolved to your satisfaction by written agreement of the parties, or by final order or judgment of a court of competent jurisdiction. In such event, Escrow Holder may elect to do any of the following: (i) Take no further action in connection with this escrow and continue to hold such funds and/or documents until receipt of mutual concurring instructions from all parties to this escrow as to the disposition of such funds and/or documents; (ii) Commence an action in interpleader and obtain an order from the court directing Escrow Holder to deposit such funds and/or documents with the court, in which case Escrow Holder shall have no further liability or obligations with respect to this escrow; or (iii) In the event any party commences an action against any other party with respect to this escrow, deposit such funds and/or documents with the court, in which case Escrow Holder shall have no further liability or obligations with respect to this escrow. In the event Escrow Holder interpleads any funds and/or documents with any court pursuant to either subparagraph (ii) or (iii) above, Escrow Holder shall be entitled to reimbursement of its reasonable attorney's fees and expenses of litigation in connection with such action. All of the parties to this escrow, jointly and severally, promise to pay promptly on demand, as well as indemnify you and hold you harmless from and against all administrative governmental investigations, suits and legal fees, litigation and interpreter costs, damages, judgments, attorney's fees, arbitration costs and fees, expenses, obligations and liabilities of every kind (collectively "costs") which in good faith you may incur or suffer in connection with or arising out of this escrow, whether said costs arise during the performance of or subsequent to this escrow, directly or indirectly, and whether at trial or on appeal. You are given a lien upon all the rights, title and interest of the parties and all escrow papers and other property and monies deposited into this escrow to protect your rights and indemnify and reimburse you. If the parties do not pay any fees, costs or expenses due you under the escrow instructions or do not pay for costs and attorney's fees incurred in any litigation or interpleader, on demand, they each agree to pay a reasonable fee for any attorney services which may be required to assist such fees and expenses, whether attorneys fees are incurred before trial, at trial, on appeal or arbitration.
13. The parties expressly indemnify and hold you harmless against third-party claims for any fees, costs or expenses where you have acted in good faith, with reasonable care and prudence and/or in compliance with these escrow instructions.

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✓ Seller's Initials: DR CHBuyer's Initials: \_\_\_\_\_1107-6  
Cont.

Date: February 16, 2011

Escrow No.: 012894-KS

Page 7 of 8: Additional Instructions made as previous pages are fully incorporated therein.

14. Reconciliation of any instrument delivered through this escrow, if necessary or proper for the issuance of the policy of title insurance called for, is authorized. No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested. You are not to be held responsible in any way whatsoever for any personal property tax which may be assessed against any former or present owner of the subject property described in these escrow instructions, nor for the corporation or license tax of any corporation as a former or present owner.
15. You are released from all responsibility to determine if the legal description conforms to the street address. You shall make no physical examination and/or representation of the real and/or personal property described in any documents deposited in this escrow, nor shall you be responsible for the condition thereof.
16. You shall not be concerned with disclosures made by the parties to each other. In the event you receive any disclosure reports requiring signatures or approval by a party, your only responsibility will be to forward the report(s) to the appropriate party.
17. In the absence of instructions to the contrary, you are hereby authorized to utilize wire services, overnight, next day, or other expedited delivery services (as opposed to the regular U.S. Mail) and to charge the respective party's account accordingly. The charges which the Company will make for sending documents and/or checks via next day messenger services (i.e., Federal Express, UPS, DHL, Alhambra Express Mail, etc.) are a mark-up to cover the Company's expenses, overhead and profit for arranging the service. Special messenger fees will be charged at the actual cost of the messenger service, plus a mark-up to cover the Company's expenses, overhead and profit for arranging the service. There will be an additional charge for pick-up or delivery via the Company's regularly scheduled messenger firm.
18. Concerning any real property involved in this transaction, you are released from and shall have no liability, obligation or responsibility with respect to (a) withholding of funds pursuant to Section 1445 of the Internal Revenue Code of 1986 as amended, and to Sections 1361 and 1361(b) of the California Revenue and Taxation Code; (b) advising the parties as to the requirements of said Section 1445, 1361 and 1361(b); (c) determining whether the transferor is a foreign person or a non-resident under such Sections, nor (d) obtaining a non-foreign affidavit or other exemption from withholding under said Sections nor concerning making any inquiry concerning compliance with such Sections by any party to the transaction.
19. You are authorized to furnish to any affiliate of the Company, any attorney, broker or lender involved with this transaction or anyone acting on behalf of such lender any information, instructions, amendments, statements, or notices of cancellation given in connection with this escrow. If any check submitted to escrow is dishonored when presented for payment, you are authorized to notify all principals and/or their respective agents of such nonpayment.
20. If demand to cancel is submitted after the Close of Escrow Date, any principal so requested to cancel this escrow shall file notice of demand to cancel in your office in writing. You shall within three (3) working days thereafter mail by certified mail, one copy of such notice to each of the other principals at the address stated in this escrow. Unless written objection thereto is filed in your office by a principal within fifteen (15) calendar days after the date of such mailing, you are instructed to cancel this escrow. If this is a sale escrow, you may return the hard-copy papers and/or funds upon the lender's demand.
21. In the event that this escrow is cancelled, any fees or charges due the Company including cancellation fees and any expenditures incurred or authorized shall be paid from funds on deposit unless otherwise specifically agreed to or determined by a court of competent jurisdiction. Such expenses, if any, and fees shall be paid and deposited in escrow before any cancellation or other termination is effective. You agree said charges for expenses, costs and fees may be apportioned between us in a manner which, in your sole discretion, you consider equitable, and that your decision in that regard will be binding and conclusive upon us. Any documents or funds deposited with you may be retained by you, as a lien, to secure to you the reimbursement of any payment of expenses and fees above provided for. Upon payment thereof, escrow holder shall return any documents and monies to the respective parties depositing same, or as ordered by the court, and void any executed instruments.
22. If there is no written activity by a principal to this escrow within any six-month period after the Close of Escrow Date set forth herein, the Company may, at its option, terminate its agency obligation and cancel this escrow, returning all documents, monies or other items held, to the respective parties entitled thereto, less any fees and charges as provided herein.
23. Notwithstanding anything in these instructions to the contrary, Escrow Holder may, at its discretion, upon ten (10) calendar days written notice to all parties, resign from this escrow and shall be entitled to reimbursement only for those costs and expenses incurred by Escrow Holder to date of such resignation. Upon cancellation by the parties or resignation of Escrow Holder, after deducting Escrow Holder's fees and/or costs and expenses, the balance of funds and documents shall be returned to the parties who shall have deposited same.
24. The Federal Tax Reform Act of 1986, as amended, and the California Revenue and Taxation Code require certain transactions to be reported to the Internal Revenue Service and the California State Franchise Tax Board. Seller herein agrees to provide you with a correct tax identification number (if applicable), so that you can report this transaction as required by law. It is the Taxpayer's sole responsibility to declare any and all proceeds received upon the close of escrow to the Internal Revenue Service and California Franchise Tax Board, and the undersigned Seller releases Escrow Holder from any and all liability to follow to do so.
25. The parties to this escrow have satisfied themselves outside of escrow that the transaction covered by this escrow is not in violation of the Racketeer Influenced and Corrupt Organizations Act or any law regulating land division, zoning ordinances or building restrictions which may affect the land or improvement that are the subject of this escrow. You, as Escrow Holder, are relieved of all responsibility and liability in connection herewith, and are not to be concerned with any of their enforcement.
26. You are not to be concerned with the giving of any disclosure required by Federal or State law, specifically but not exclusively RESPA (Real Estate Settlement Procedure Act), Regulation Z (Truth in Lending disclosure) or other warning, or any warranties, expressed or implied.
27. All funds received in this escrow shall be deposited with other escrow funds in one or more non-interest bearing demand accounts of the Company in any state or federal bank or any state or federal savings and loan association ("depository institutions") and may be transferred to any other such accounts. The parties to this escrow acknowledge that while these accounts do not bear interest, because of these and other banking relationships with the depository institutions, the Company and its affiliates may receive from some of the depository institutions an array of banking services, accommodations or other benefits. The Company and its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from some of the depository institutions. All of such services, accommodations and other benefits shall accrue, directly or indirectly, to the Company and its affiliates and they shall have no obligation to account to the parties to this escrow for the value of such services, accommodations or other benefits. All disbursements shall be made by the Company check, unless otherwise indicated.
28. You are hereby authorized to deposit any funds and/or documents tendered you under these escrow instructions, or cause the same to be deposited, with any duly authorized sub-escrow agent, subject to your order at or prior to close of escrow. In the event such deposit shall be necessary or convenient for the consummation of this escrow.
29. The Company shall not be responsible for any delay in closing if funds received by escrow are not available for immediate withdrawal. The Company may, at its option, require encumbrance instructions from all principals prior to the release of any funds or deposit in this escrow.
30. You are authorized to destroy or otherwise dispose of any and all documents, papers, instructions, correspondence and other material pertaining to this escrow at the expiration of five (5) years from (1) date of the close of escrow; (2) date of cancellation; or (3) the date of last activity, without liability and without further notice.

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✓ Seller's Initials: 8/04

Buyer's Initials: \_\_\_\_\_

I107-6  
Cont.

Date: February 16, 2011


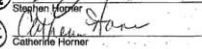
Escrow No.: 012894-KS

Page 8 of 8: Additional instructions made as previous pages are fully incorporated therein.

ALL PARTIES TO THIS ESCROW ACKNOWLEDGE THAT THE COMPANY DOES NOT PROVIDE LEGAL NOR FINANCIAL ADVICE NOR HAS IT MADE ANY INVESTIGATION, REPRESENTATIONS OR ASSURANCES WHATSOEVER REGARDING THE LEGAL/FINANCIAL ASPECTS OR COMPLIANCE OF THIS TRANSACTION WITH ANY TAX, SECURITIES OR ANY OTHER STATE OR FEDERAL LAWS. IT IS RECOMMENDED THAT THE PARTIES OBTAIN INDEPENDENT LEGAL COUNSELS AS TO SUCH MATTERS.

EACH PARTY SIGNING THESE INSTRUCTIONS HAS READ THE ADDITIONAL ESCROW CONDITIONS AND INSTRUCTIONS CONTAINED HEREIN AND APPROVES, ACCEPTS AND AGREES TO BE BOUND THEREBY. ALL PARTIES SIGNING THIS AGREEMENT HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THESE INSTRUCTIONS.

SELLERS:

(X)   
Stephen Horner  
(X)   
Catherine Horner

BUYERS:

Edgardo Manuel Rivera  
Mario Rivera

I107-6  
Cont.